

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

February 2, 2000

IN RE:)
SPRINT COMMUNICATIONS COMPANY, L.P.) **DOCKET NO. 99-00313**
TARIFF TO INTRODUCE PREPAID CALLING)
CARD PAYPHONE PER CALL SURCHARGES)

ORDER APPROVING TARIFF NO. 99-00313

This matter came before the Tennessee Regulatory Authority ("Authority") for consideration of Tariff No. 99-00313 ("Tariff") filed by Sprint Communications Company, L. P. ("Sprint") on April 27, 1999. Sprint represented that this Tariff proposes a \$.30 or \$.40 per call surcharge on all Sprint calling card calls placed from payphones. The proposed effective date of this Tariff was May 27, 1999.

TRA rules establish two categories for regulating IXC rates: the Direct Distance Dialing ("DDD") category and the "All Other Services" category. Rates for the DDD category are regulated by a price cap formula, while IXC's have the flexibility to price services in the "all other" category as they choose, subject to certain notice requirements.¹ This flexibility was granted to the "all other" category because the services in this category are the most competitive IXC services and the rates should be controlled by a competitive market place. Because prepaid card service is not a presubscribed service like DDD service or residential calling plans, historically it has been included in the "all other" category, and TRA rule 1220-4-2-.55(d)(1)(ii) states that "any new service that is not DDD or a residential calling plan shall be placed in the All Other Services category."

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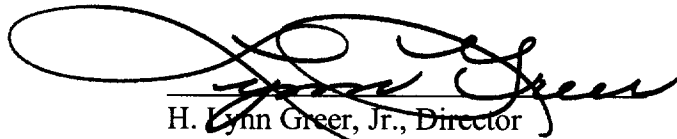
This matter came before the directors at a regularly scheduled Authority Conference on June 22, 1999. Upon review of the Tariff and the record in this matter, a majority of the directors² concluded that the pricing flexibility for "all other" services allowed under TRA Rule 1220-4-2-.55(d)(1)(ii) permits Sprint to implement the surcharge on prepaid calls. Pricing flexibility is allowed in the "all other" category since the services in this category are, theoretically, the most competitive IXC services and therefore, the marketplace should exact reasonable rates. As such, a majority of the Directors voted to approve Tariff No. 99-00313.

IT IS THEREFORE ORDERED THAT:

Sprint Communications Company, L.P. Tariff No. 99-00313, implementing a \$.30 or \$.40 per call surcharge on all Sprint prepaid calling card calls made from payphones, is approved.

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Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary

* * * Chairman Malone voted no.

¹ TRA Rule 1220-4-2-.55(d)(2).

² Chairman Malone previously stated that this Authority's Order in Docket No. 97-01281, In Re: Tariffs 97-224, 97-352, 97-07479 and 97-07520 To Implement the Public Payphone Surcharge In Compliance With FCC Order 96-128, restricts surcharge recovery to 28.4 cents (\$0.284) per dial around call. Therefore, consistent with his dissent in Docket No. 98-00512, where he expressed his concerns over the violation of TRA Rule 1220-4-2-.55, Chairman Malone voted to deny this Tariff.